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Washington, D.C.  
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September 20, 1993

RECEIVED

Telephone  
202-223-5200

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W.  
Washington, D.C. 20554

SEP 20 1993

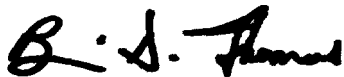
FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

93-129

Dear Mr. Caton:

Attached are an original and four copies of the Direct Case of the Telephone Utilities Exchange Carrier Association (TUECA) in CC Docket No. 93-129. Any questions concerning this matter should be directed to the undersigned.

Very truly yours,



Brian D. Thomas  
Assistant Vice President

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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C.

SEP 20 1993

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of

800 Data Base Access Tariffs and the  
800 Service Management System Tariff

CC Docket No. 93-129

DIRECT CASE OF  
TELEPHONE UTILITIES EXCHANGE CARRIER ASSOCIATION

On July 19, 1993, the Federal Communications Commission (FCC) issued its Order in Docket No. 93-129.<sup>1</sup> The proceeding designated issues for further investigation into the 800 Data Base Query charges filed by local exchange carriers. The Telephone Utilities Exchange Carrier Association (TUECA) is named in Appendix B of the proceeding, and by this writing, TUECA makes its response.

Discussions of the specific, rate development issues raised by the Commission are included below. Member company demand detail, as requested in Section III of the Information Request for Exogenous Costs and required for 61.38 companies, is attached as Exhibit A.

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<sup>1</sup>The original Investigation Order required submission of Direct Cases by August 19. "In the Matter of 800 Data Base Access Tariffs and the 800 Service Management System Tariff", Order Designating Issues for Investigation, CC Docket #93-129, released July 19, 1993. However, subsequent Commission instructions extended that deadline until September 20, 1993. Order, DA 93-876, released August 5, 1993.

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## INTRODUCTION

TUECA has designed this new rate element and developed its initial charges for Data Base queries based upon a fundamental premise: it is the responsibility of the end office company to correctly route traffic from its end offices. The member companies are concerned, from references made within the Investigation Order, that the Commission is questioning the appropriateness of applying query charges at an end office level.<sup>2</sup>

While TUECA has a number of its own SSPs, the membership feels an obligation to provide for the delivery of all 800 call attempts, originated in their service areas, to an SCP. The member companies believe that a business decision to purchase SS7 capabilities from a neighboring local exchange carrier would not diminish their responsibility to ensure that their customers' 800 traffic is properly routed.

TUECA shares the FCC concern that the access service is performed and billed under the same tariff, whether an end office company purchases SS7 functionality or provides that service directly to an access customer. In addition, the member companies believe there are some components of the 800 Data Base Query cost that would not be applicable to an exchange carrier which is jointly providing the access service.

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<sup>2</sup>Ibid., Investigation Order, Issue 4 and paragraph 34.

The TUECA member companies urge the Commission to affirm, within the instant proceeding, the obligation of the end office company to ensure the proper routing of customer queries, originated in its service area. And, if the end office company is unable to perform all of the necessary call routing functions at present, TUECA believes it is incumbent on the end office company to decide whether to contract with a third party or provide SSP capabilities itself.

## RESPONSE TO INFORMATION REQUEST

### 1. The Demand Level Used in Calculation of TUECA Costs.

TUECA member companies estimated 50,902,255 messages in developing its costs for a 1993 test period. However, so as to recover the cost of "unbillable" 800 calls, member companies used a total of 38,164,271 in developing their new rate.

### 2. The TUECA Percentage for Unbillable Queries.

TUECA selected a 10 percent figure to estimate the frequency of data base queries that result in unsuccessful attempts. While the percentage, absent sufficient experience, is based upon judgement alone, the practice of estimating "unbillable" queries is, by no means, unique to member company serving areas. In fact, there are a number of local exchange companies throughout the industry that are making use of "unbillable" factors.<sup>3</sup>

### 3. The Appropriateness of TUECA's Unbillable Allowance.

The inclusion of an allowance for "unbillable" queries is in recognition of the fact that a number of 800 attempts are delivered to the SCP (and generate an SCP query charge), but member companies may not have a carrier to bill for that query.

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<sup>3</sup>Ibid., Investigation Order, paragraph 36. "Several LECs have adjusted their demand, when calculating their rates... These LECs estimate that they will be unable to collect for up to 20 percent of the queries that originate from their service areas..." (Emphasis added.)

For instance, 1) the end user may not have chosen a TUECA exchange area--like Eagle, Colorado or Kalispell, Montana--as part of its target market, 2) a carrier identification code (CIC) may be returned identifying a carrier for which member companies have no outgoing trunks, or 3) the query may simply be rejected by the data base as an invalid number. These are just a few examples of problematic queries that TUECA hopes to account for in its factor approach. Such calls do not result in successful 800 attempts for which member company Query charges can be levied.

And yet, TUECA will continue to incur query cost. The SCP will certainly charge for processing each attempt through its data base. Member companies will incur other related costs (eg. transport) as well. TUECA feels strongly that some mechanism for compensating "unbillable" attempts is warranted here.

#### 4. Identification of TUECA's Switching Control Point Provider.

Effective May 1, 1993, Pacific Telecom, Inc. (PTI) entered into the 800 Data Base Access Service Agreement in question with the Sprint/United Management Company (S/UMC). For the purpose of processing 800 queries, originated from the serving areas of PTI exchange carrier subsidiaries, S/UMC will provide the Switching Control Point (SCP).

5. The Rate per Query Upon Which TUECA Rates Were Based.

TUECA took the \$.0085 per query charge, that it used in calculating the member companies' rate, from the S/UMC contract mentioned above. The SCP contract was made effective on May 1, 1993.

6. Revisions to the Original, SCP Provider Rates.

In a letter of understanding dated May 6, 1993, S/UMC voluntarily reduced its charge per query to \$.0074, pending completion of the instant Commission review.

7. Subsequent Revisions to the TUECA Filed Rates.

On May 12, 1993, TUECA refiled member company 800 Data Base charges to reflect the reduction in the S/UMC query rate described in 6. above.

8. TUECA's Use of Two or More SCP Providers.

As previously discussed, TUECA member companies will make use of a single SCP provider. The PTI holding company has contracted with S/UMC to provide member company, end use customers with access to its Line Information Data Base.

9. TUECA's Use of a Transport Provider.

The PTI holding company has contracted with United Telephone Company of the Northwest (UTNW) to jointly purchase transport for our respective SS7 networks. That STP Interconnection Agreement was executed on March 12, 1993.

The aforementioned joint venture has resulted in the purchase, under tariff, of the necessary SS7 "D" Links to connect PTI STPs (at Gig Harbor, Washington and Lebanon, Oregon) to S/UMC STPs (at Bristol and Johnson City, Tennessee).

The four transport trunk facilities, referred to in the agreement as "Quad D Links", have been provisioned for the companies by competing interexchange carriers to ensure the desired route diversity and redundancy.

The monthly recurring transport costs, as well as the non-recurring installation costs, are shared equally between UTNW and PTI.

10. Relevant TUECA Work Sheets.

All of the relevant cost and rate development work sheets are attached as exhibits.

11. Other TUECA Costs.

Other pertinent cost, contained within the TUECA analysis, is that of the switching software and licenses required, for the proper processing of 800 queries and SCP responses, at member company SSPs. The development of TUECA software costs is also described within the attached exhibits.



## **SUMMARY**

TUECA summed its software improvement expenses, 50 percent of the shared, one-time and ongoing charges for the necessary "Quad D Links", and an estimate of the SCP rate (per query) times its predicted demand. That is what determined member company cost.<sup>4</sup>

Units for the development of member companies' cost included a 10 percent additive, to count those queries for which the SCP provider will certainly require payment, even though member companies may have no carrier to which they can pass the charge.

The ultimate TUECA rate was computed by dividing the identified cost by test period queries, a figure that did not contain the identified 10 percent "unbillables".

Dated: September 20, 1993

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<sup>4</sup>As discussed in response to question 7 above, TUECA amended its initial 800 Data Base Query charge to reflect an FCC mandated reduction to the original S/UMC contract rate.

**EXHIBIT A**

**Information Request for 800 Data Base Service**

**Section III. DEMAND**

## INFORMATION REQUEST FOR 800 DATABASE SERVICE COSTS

III. Demand	A
	Total

**800 Database Queries**

State 800 Database	11,543,473
State Other	0
Interstate 800 Database	39,358,782
Interstate Other	0
Unbillable Query Factor	1.10

A
Total

**STP Port Terminations**

State LDB	0
State Other	0
Interstate LDB	16
Interstate Other	0
Other	0
Total	16

A
Total

**LDB Transport Links**

State LDB	0
State Other	0
Interstate LDB	4
Interstate Other	0
Other	0
Total	4

**EXHIBIT B**

**Support Work Papers for TUECA Query Charge**

**Filed: May 1, 1993**

TELEPHONE UTILITIES  
EXCHANGE CARRIER ASSOCIATION  
Manager, Access Tariffs  
805 Broadway  
Vancouver, WA 98668-8901  
Issued: March 5, 1993

TARIFF F.C.C. NO. 1  
16th Revised Page 229.1  
Cancels 15th Revised Page 229.1

Effective: May 1, 1993

## ACCESS SERVICE

### 6. Switched Access Service (Cont'd)

#### 6.8 Rates and Charges (Cont'd)

##### 6.8.5 Switched Access Line

(A) Two-Wire/Four-Wire  
Access Line - per line

##### Nonchargeable Optional Features

##### Monthly Rates

\*

##### FID

Improved Two-Wire Voice Transmission  
Performance - Per Line

##### 6.8.6 Directory Assistance Surcharge

Applies to all access minutes

Surcharge per 100 premium minutes  
Transitional Surcharge per  
100 non-premium minutes

##### USOC      Rates Per 100                  Access Minutes

DSUR      \$0.04102

DSUT      \$0.01846

##### 6.8.7 Limited Pay Telephone

Each

##### USOC      Monthly Rates LPT      \$82.00

##### 6.8.8 Blocking and Screening

Where technically feasible, the Company shall offer, as non-chargeable options, screening and blocking to competitive public payphones. This includes blocking of international direct-dialed calls and identification to operator service providers of any billing restrictions on lines to which a caller may seek to bill a call.

##### 6.8.9 800 Access Service Data Base Query

Basic Query Charge

##### USOC      RATE      (N)

Q8B      .012980

Enhanced Query Charge

Q8R      .012980      (N)

\*Carrier Common Line charges set forth in NECA Tariff F.C.C. No. 1,  
Section 3 apply.

FILE: QUERY  
DATE: 3/4/93  
SCHEDULE 5

800 DATA BASE QUERY RATE DEVELOPMENT

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TOTAL ANNUAL SOFTWARE PACKAGE REVENUE REQUIREMENT FROM SCHEDULE 4 (ALL STATES)		\$103,366
NRC TO UNITED TEL (ANNUALIZED - \$2,819 * 42%)		\$1,184
ANNUAL "D" LINK COSTS (\$5,285/MO. * 12)		\$63,420
NO. OF ANNUAL COMPLETED QUERIES (1991 DATA)	31,475,280	
NO. OF ANNUAL COMPLETED QUERIES (1992 DATA)	38,164,271	
NO. OF ANNUAL COMPLETED QUERIES (PROJECTED 1993)	46,274,778	
TOTAL UNCOMPLETED @ 10%	4,627,478	
TOTAL QUERIES INCL. ATTEMPTS (PROJ. 1993)	50,902,255	
UNITED TELECOM QUERY CHARGE TO PTI (ENHANCED)	\$0.0085	
ANNUAL QUERY CHARGES PAID BY PTI TO UNITED		\$432,669
		-----
TOTAL ANNUAL COST (REVENUE REQUIREMENT)		\$600,639
TOTAL ANNUAL COMPLETED QUERIES	46,274,778	
PTI's BASIC QUERY CHARGE		\$0.012980
PTI's ENHANCED QUERY CHARGE		\$0.012980

FILE: QUERY  
DATE: 3/4/93  
SCHEDULE 4

800 DATA BASE QUERY RATE DEVELOPMENT

OREGON	AMOUNT	E800/TANDEM SOFTWARE PACKAGE TYPE
Aurora, OR	N/C	
Gleneden B., OR	N/C	
Chiloquin, OR	N/C	
Scappoose, OR	\$20,000	E8AT
Creswell, OR	N/C	
Sweethome, OR	N/C	
Knappa, OR	N/C	
Lebanon, OR	\$46,800	(NTX554AA)
OREGON TOTAL INVESTMENT	\$66,800	
ANNUAL CHARGE FACTOR (SCH. 1 - COL. A)	44.07%	
ANNUAL REVENUE REQUIREMENT	\$29,436	

WASHINGTON		
Elma, WA	N/C	
Montesano, WA	N/C	
McCleary, WA	N/C	
Orting, WA	N/C	
So. Prairie, WA	N/C	
Kingston, WA	\$20,000	E8AT
Morton, WA	N/C	
Randle, WA	N/C	
Packwood, WA	N/C	
Gig Harbor, WA	\$46,800	(NTX554AA)
Puget Island, WA	N/C	
North Bend, WA	N/C	
East Sound, WA	N/C	
Forks, WA	N/C	
Connell, WA	N/C	
Cheney, WA	\$46,800	(NTX554AA)
Chewelah, WA	\$20,000	E8AT
Kettle Falls, WA	N/C	
Big Piney, WY	N/C	
WASHINGTON TOTAL INVESTMENT	\$133,600	
ANNUAL CHARGE FACTOR (SCH. 2 - COL. A)	39.55%	
ANNUAL REVENUE REQUIREMENT	\$52,845	

MONTANA		
Kalispell, MT	\$46,800	
MONTANA TOTAL INVESTMENT	\$46,800	(NTX554AA)
ANNUAL CHARGE FACTOR (SCH. 3 - COL. A)	45.06%	
ANNUAL REVENUE REQUIREMENT	\$21,086	

**EXHIBIT C**

**Support Work Papers for TUECA Query Charge**

**Amended: May 12, 1993**



TELEPHONE UTILITIES  
EXCHANGE CARRIER ASSOCIATION  
Manager, Access Tariffs  
805 Broadway  
Vancouver, WA 98668-8901  
Issued: May 11, 1993

TARIFF F.C.C. NO. 1  
19th Revised Page 229.1  
Cancels 18th Revised Page 229.1

Effective: May 12, 1993

### ACCESS SERVICE

#### 6. Switched Access Service (Cont'd)

##### 6.8 Rates and Charges (Cont'd)

##### 6.8.5 Switched Access Line

(A) Two-Wire/Four-Wire  
Access Line - per line

#### Monthly Rates

\*

#### Nonchargeable Optional Features

#### FID

Improved Two-Wire Voice Transmission  
Performance - Per Line

##### 6.8.6 Directory Assistance Surcharge

Applies to all access minutes

Surcharge per 100 premium minutes  
Transitional Surcharge per  
100 non-premium minutes

#### USOC      Rates Per 100 Access Minutes

DSUR	\$0.03680	(S)(X)
DSUT	\$0.01656	(S)(X)

##### 6.8.7 Limited Pay Telephone

Each

<u>USOC</u>	<u>Monthly Rates</u>
LPT	\$82.00

##### 6.8.8 Blocking and Screening

Where technically feasible, the Company shall offer, as non-chargeable options, screening and blocking to competitive public payphones. This includes blocking of international direct-dialed calls and identification to operator service providers of any billing restrictions on lines to which a caller may seek to bill a call.

##### 6.8.9 800 Access Service Data Base Query

Basic Query Charge

Enhanced Query Charge

<u>USOC</u>	<u>RATE</u>	<u>(R)(Y)</u>
Q8B	.011770	
Q8R	.011770	(R)(Y)

\*Carrier Common Line charges set forth in NECA Tariff F.C.C. No. 1,  
Section 3 apply.

- (S) Reissued material scheduled to become effective on July 1, 1993  
(Y) Issued in compliance with CC Docket No. 93-129, Order adopted April 27,  
1993, released April 28, 1993, to become effective on not less than one  
days' notice under authority of Special Permission No. 93-349

FILE: QUERYREV  
SCHEDULE 5  
REVISED

800 DATA BASE QUERY RATE DEVELOPMENT  
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DATE: 5/10/93

TOTAL ANNUAL SOFTWARE PACKAGE REVENUE REQUIREMENT FROM SCHEDULE 4 (ALL STATES)		\$103,366
NRC TO UNITED TEL (ANNUALIZED - \$2,819 * 42%)		\$1,184
ANNUAL "D" LINK COSTS (\$5,285/MO * 12)		\$63,420
NO OF ANNUAL COMPLETED QUERIES (1991 DATA)	31,475,280	
NO OF ANNUAL COMPLETED QUERIES (1992 DATA)	38,164,271	
NO OF ANNUAL COMPLETED QUERIES (PROJECTED 1993)	46,274,778	
TOTAL UNCOMPLETED @ 10%	4,627,478	
TOTAL QUERIES INCL. ATTEMPTS (PROJ. 1993)	50,902,255	
UNITED TELECOM QUERY CHARGE TO PTI (ENHANCED)	\$0.0074	
ANNUAL QUERY CHARGES PAID BY PTI TO UNITED		\$376,677
TOTAL ANNUAL COST (REVENUE REQUIREMENT)		\$544,647
TOTAL ANNUAL COMPLETED QUERIES	46,274,778	
PTI's BASIC QUERY CHARGE		\$0.011770
PTI's ENHANCED QUERY CHARGE		\$0.011770